

stocks

Aggressive Growth
Stock Fund

cash investments

balanced

BONDS

Vanguard® PRIMECAP Fund

Investor Shares

Investment Objective

Vanguard PRIMECAP Fund seeks to provide long-term capital appreciation.

Investment Strategy

The fund invests in stocks of companies with above-average prospects for continued earnings growth, strong industry positions, and skilled management teams. It also may invest in companies with below-average earnings but bright prospects for earnings growth. The fund may not be broadly diversified; at times it may invest a large portion of assets in select industries.

See reverse side for Fund Profile.

Who Should Invest

- Investors seeking long-term growth of capital.
- Investors with a long-term investment horizon (at least five years).

Who Should Not Invest

- Investors unwilling to accept significant fluctuations in share price.
- Investors seeking significant dividend income.
- Investors seeking a broadly diversified portfolio of stocks.

Assets: \$18,355,556,330

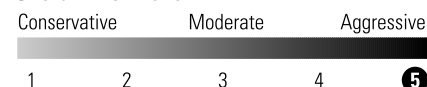
Expenses: 0.51%*

Ticker Symbol: VPMCX

Newspaper Listing: Prmcpx

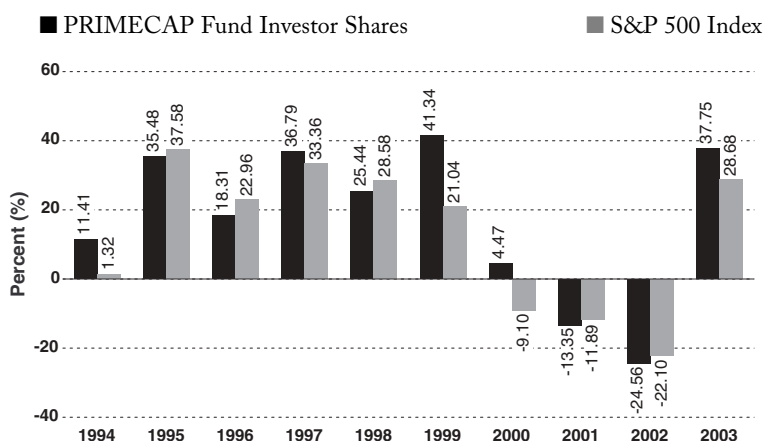
Inception: November 1, 1984

Overall Risk Level:



Performance

Annual Returns 1994–2003 — PRIMECAP Fund Investor Shares vs. S&P 500 Index**



Total Returns for Periods Ended December 31, 2003***

	Year to Date	1 Year	3 Years	5 Years	10 Years
PRIMECAP Fund Investor Shares	37.75%	37.75%	-3.43%	5.86%	15.08%
S&P 500 Index	28.68%	28.68%	-4.05%	-0.57%	11.07%

*For most recent fiscal year.

**Standard & Poor's 500 Index, an unmanaged measure of stock market performance.

***Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns.

Note: The fund charges a 1% fee on redemptions of shares held less than five years. Fund return data are unadjusted for transaction fees.

THE Vanguard GROUP

Vanguard PRIMECAP Fund

Investor Shares

Fund Profile

As of December 31, 2003

Top Sector Holdings—Stocks

1. Auto & Transportation	10.6%
2. Consumer Discretionary	15.1
3. Consumer Staples	0.0
4. Financial Services	4.7
5. Health Care	21.4
6. Integrated Oils	4.4
7. Materials & Processing	7.1
8. Other Energy	2.9
9. Producer Durables	6.5
10. Technology	25.8
11. Utilities	0.9
12. Other	0.6

Largest Stock Holdings*

1. FedEx Corp.
2. Guidant Corp.
3. Adobe Systems, Inc.
4. Biogen Idec Inc
5. Texas Instruments, Inc.
6. Novartis AG ADR
7. ConocoPhillips Co.
8. Micron Technology, Inc.
9. Microsoft Corp.
10. Hughes Electronic Corp.

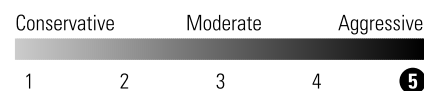
Top Ten as % of Total Net Assets 32.0%

*Fund holdings are subject to change.

A Few Words About Risk

When investing in stock funds, short-term losses (or gains) are common, largely as a result of sudden movements in stock prices as views change about the economy and individual companies. However, over extended periods the market's ups have tended to outweigh its downs. There is no guarantee this will continue. Usually, the longer you hold your investments, the lower your chances of losing money.

Overall Risk Level:



Because the fund holds a high percentage of its assets in a relatively small number of stocks, it will be more volatile than a fund with a broadly diversified portfolio.

Investment Terms

Dividends: Payments made by companies to investors in their stock. The payments typically depend on economic conditions and the company's financial health.

Expenses: The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

Market Risk: The chance that the value of an investment will change because of rising (or falling) stock or bond prices.

Mutual Fund: An investment company that combines the money of thousands of people and invests it in a number of securities (stocks, bonds, short-term reserves) to achieve a specific objective over time.

Total Return: The change in the value of an investment, plus any income from interest or dividends. The standard measure of a mutual fund's performance.

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Performance figures include the reinvestment of all dividends and any capital gains distribution. All returns are net of expenses. Return figures reflect past performance, which is no guarantee of future results. The investment return and principal value will fluctuate. An investor's shares, when redeemed, may be worth more or less than the original cost.

Vanguard funds are offered by prospectus only. Prospectuses contain more complete information on risks, advisory fees, distribution charges, and other expenses and should be read carefully before you invest or send money. Prospectuses can be obtained directly by writing to The Vanguard Group, P.O. Box 2900, Valley Forge, PA 19482-2900; calling 1-800-523-1188; or visiting www.vanguard.com.